

ORIGINAL NEW APPLICATION



ARIZONA CORPORATION COMMISSION

Application and Petition for Certificate of Convenience and Necessity to Provide Intrastate Telecommunications Services

Mail original plus 13 copies of completed application to:

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2927

For Docket Control Only:
(Please Stamp Here)

Arizona Corporation Commission

DOCKETED

T-20497A-06-0802

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AZ CORP COMMISSION
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Please indicate if you have current applications pending
in Arizona as an Interexchange reseller, AOS provider,
or as the provider of other telecommunication services.

DOCKETED BY	<i>MM</i>
-------------	-----------

Type of Service: None

Docket No.: _____ Date: _____

Date Docketed: _____

Type of Service: _____

Docket No.: _____ Date: _____

Date Docketed: _____

A. COMPANY AND TELECOMMUNICATION SERVICE INFORMATION

(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and mark the appropriate box(s).

☒ Resold Long Distance Telecommunications Services (Answer Sections A, B).

☐ Resold Local Exchange Telecommunications Services (Answer Sections A, B, C).

☐ Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).

☒ Facilities-Based Local Exchange Telecommunications Services (Answer Sections A, B, C, D, E)

☐ Alternative Operator Services Telecommunications Services (Answer Sections A, B)

☐ Other _____ (Please attach complete description)

(A-2) The name, address, telephone number (including area code), facsimile number (including area code), e-mail address, and World Wide Web address (if one is available for consumer access) of the Applicant:

Cbeyond Communications, LLC
320 Interstate North Parkway, Suite 300
Atlanta, GA 30339
Telephone: 1-866-424-2600
Facsimile:
E-Mail: info@cbeyond.net
Web Address: www.cbeyond.net

(A-3) The d/b/a ("Doing Business As") name if the Applicant is doing business under a name different from that listed in Item (A-2):

None

(A-4) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Management Contact:

Julia O. Strow
Vice President – Regulatory and Industry Relations
Cbeyond Communications, LLC
320 Interstate North Parkway, Suite 300
Atlanta, GA 30339
Telephone: (678) 424-2400
Facsimile: (678) 424-2509
E-mail: Julia.Strow@cbeyond.com

(A-5) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Attorney and/or Consultant:

Michael Patten
Roshka DeWulf & Patten, PLC
One Arizona Center
400 East Van Buren Street, Suite 800
Phoenix, Arizona 85004
Telephone: (602) 256-6100
Facsimile: (602) 256-6800
E-mail: mpatten@rdp-law.com

(A-6) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Complaint Contact Person:

Julia O. Strow
Vice President – Regulatory and Industry Relations
Cbeyond Communications, LLC
320 Interstate North Parkway, Suite 300
Atlanta, GA 30339
Telephone: (678) 424-2400
Facsimile: (678) 424-2509
E-mail: Julia.Strow@cbeyond.com

(A-7) What type of legal entity is the Applicant? Mark the appropriate box(s) and category.

☐

Sole proprietorship

☐

Partnership: _____ Limited, _____ General, _____ Arizona, _____ Foreign

☒

Limited Liability Company: _____ Arizona, XX Foreign

☐

Corporation: _____ "S", _____ "C", _____ Non-profit

Other, specify: _____

(A-8) Please include "Attachment A":

Attachment "A" must include the following information:

1. A copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC, or other entity in Arizona.
2. A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).
3. Indicate percentages of ownership of each person listed in A-8.2.

Applicant is a wholly-owned subsidiary of Cbeyond, Inc., a publicly traded corporation. The Certificate of Good Standing is attached at Attachment A. The Company's management team and officers is set forth in Attachment E.

(A-9) Include your Tariff as "Attachment B".

Your Tariff must include the following information:

1. Proposed Rates and Charges for each service offered (reference by Tariff page number). **See Pages 48 – 55.**
2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number). **See Pages 39 – 46.**
3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number). **See Pages 11 – 22.**
4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number). **See Pages 22.**
5. The proposed fee that will be charged for returned checks (reference by Tariff page number). **See Pages 37 and 46.**

(A-10) Indicate the geographic market to be served:

☒ **XX** Statewide. (Applicant adopts statewide map of Arizona provided with this application).

☐ Other. Describe and provide a detailed map depicting the area.

(A-11) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any formal or informal complaint proceedings pending before any state or federal regulatory commission, administrative agency, or law enforcement agency.

Describe in detail any such involvement. Please make sure you provide the following information:

1. States in which the Applicant has been or is involved in proceedings.
2. Detailed explanations of the Substance of the Complaints.
3. Commission Orders that resolved any and all Complaints.
4. Actions taken by the Applicant to remedy and/or prevent the Complaints from re-occurring.

Neither the Applicant, or any of its officers, directors or managers have been involved in any formal or informal complaints proceedings pending before any state regulatory commission, administrative agency or law enforcement agency.

The Company is subject to federal and state rules and regulations pertaining to customer proprietary network information, or CPNI. In connection with these rules and regulations, the FCC has initiated a series of investigations regarding the CPNI practices of numerous companies, including Cbeyond. The FCC's investigation of CPNI compliance began on February 2, 2006. On April 26, 2006, the FCC issued a Notice of Apparent Liability, or NAL, proposing a fine of \$100,000 on the Company for failure to maintain in its files a compliance certificate required by FCC rules. The FCC's investigation is not yet complete. The FCC may ultimately impose a fine that is larger than that proposed in the NAL and may seek to impose additional fines relating to CPNI compliance. The Company is currently unable to assess the magnitude and likelihood of such fines.

(A-12) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any civil or criminal investigation, or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years.

Describe in detail any such judgments or convictions. Please make sure you provide the following information:

1. States involved in the judgments and/or convictions.
2. Reasons for the investigation and/or judgment.
3. Copy of the Court order, if applicable.

None

(A-13) Indicate if the Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access.

Yes

XX No

Cbeyond only offers bundled local and long distance services to its Customers.

(A-14) Is Applicant willing to post a Performance Bond? Please check appropriate box(s).

XX For Long Distance Resellers, a \$10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.

XX Yes

No

If "No", continue to question (A-15).

☐ For Local Exchange Resellers, a \$25,000 bond will be recommended.

☐ Yes

☐ No

If "No", continue to question (A-15).

XX For Facilities-Based Providers of Long Distance, a \$100,000 bond will be recommended.

XX Yes

No

If "No", continue to question (A-15).

☐ For Facilities-Based Providers of Local Exchange, a \$100,000 bond will be recommended.

☐ Yes

☐ No

If any box in (A-14) is marked "No", continue to question (A-15).

Note: Amounts are cumulative if the Applicant is applying for more than one type of service.

(A-15) If any box in (A-14) is marked "No", provide the following information. Clarify and explain the Applicant's deposit policy (reference by tariff page number). Provide a detailed explanation of why the Applicant's superior financial position limits any risk to Arizona consumers.

N/A

(A-16) Submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the Applicant is requesting authority to provide service.

Note: For Resellers, the Applicant must complete and submit an Affidavit of Publication Form as Attachment "C" before Staff prepares and issues its report. Refer to the Commission's website for Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication). For Facilities-Based Service Providers, the Hearing Division will advise the Applicant of the date of the hearing and the publication of legal notice. Do not publish legal notice or file affidavits of publication until you are advised to do so by the Hearing Division.

(A-17) Indicate if the Applicant is a switchless reseller of the type of telecommunications services that the Applicant will or intends to resell in Arizona:

Yes

XX No

If "Yes", provide the name of the company or companies whose telecommunications services the Applicant resells.

(A-18) List the States in which the Applicant has had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in Arizona:

Note: If the Applicant is currently approved to provide telecommunications services that the Applicant intends to provide in Arizona in less than six states, excluding Arizona, list the Public Utility Commission ("PUC") of each state that granted the authorization. For each PUC listed provide the name of the contact person, their phone number, mailing address including zip code, and e-mail address.

Applicant holds certificates to provide local exchange and interexchange services in the following states: California, Colorado, District of Columbia, Florida, Georgia, Illinois, Massachusetts, Michigan, Minnesota, Missouri, New York, North Carolina, Pennsylvania, Texas, Virginia, and Washington.

Applicant has not been denied a certificate in any state.

(A-19) List the States in which the Applicant currently offers telecommunications services similar to those that the Applicant will or intends to offer in Arizona.

Note: If the Applicant currently provides telecommunication services that the Applicant intends to provide in Arizona in six or more states, excluding Arizona, list the states. If the Applicant does not currently provide telecommunications services that the Applicant intends to provide in Arizona in five or less states, list the key personnel employed by the Applicant. Indicate each employee's name, title, position, description of their work experience, and years of service in the telecommunications services industry.

Applicant is currently providing services in California, Colorado, Georgia, Illinois and Texas that are similar to those it intends to provide in Arizona. See Attachment E for information on the Company's Management Team and Officers.

(A-20) List the names and addresses of any alternative providers of the service that are also affiliates of the telecommunications company, as defined in R14-2-801.

None

(A-21) Check here if you wish to adopt as your petition a statement that the service has already been classified as competitive by Commission Decision:

- ☐ XX Decision # 64178 Resold Long Distance
☐ Decision # 64178 Resold LEC
☐ XX Decision # 64178 Facilities Based Long Distance
☐ Decision # 64178 Facilities Based LEC

B. FINANCIAL INFORMATION

(B-1) Indicate if the Applicant has financial statements for the two (2) most recent years.

☐ XX Yes ☐ No

If "No," explain why and give the date on which the Applicant began operations.

(B-2) Include "Attachment D".

Provide the Applicant's financial information for the two (2) most recent years.

1. A copy of the Applicant's balance sheet.
2. A copy of the Applicant's income statement.
3. A copy of the Applicant's audit report.
4. A copy of the Applicant's retained earnings balance.
5. A copy of all related notes to the financial statements and information.

There are no separate financials for the Company. Financial information for the Company's parent, CBeyond, Inc., is available through its SEC filings, including 10-K and 10-Q reports. Those voluminous filings are accessible through the internet.

Note: Make sure "most recent years" includes current calendar year or current year reporting period.

(B-3) Indicate if the Applicant will rely on the financial resources of its Parent Company, if applicable.

Applicant's parent company is Cbeyond, Inc., a publicly traded company. Applicant intends to rely on the financial resources of its parent company.

(B-4) The Applicant must provide the following information.

1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.
2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.
3. Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.
4. If the projected value of all assets is zero, please specifically state this in your response.
5. If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

See Attachment F. There are no assets in Arizona.

C. RESOLD AND/OR FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(C-1) Indicate if the Applicant has a resale agreement in operation,

☐

Yes

XX No

If "Yes", please reference the resale agreement by Commission Docket Number or Commission Decision Number.

**D. FACILITIES-BASED LONG DISTANCE AND/OR FACILITIES BASED LOCAL EXCHANGE
TELECOMMUNICATIONS SERVICES**

(D-1) Indicate if the Applicant is currently selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in Arizona. This item applies to an Applicant requesting a geographic expansion of their CC&N:

☐ Yes ☒ No

If "Yes," provide the following information:

1. The date or approximate date that the Applicant began selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in Arizona.
2. Identify the types of facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services that the Applicant sells in Arizona.

If "No," indicate the date when the Applicant will begin to sell facilities-based long distance telecommunications AND/OR facilities-based local exchange telecommunications services in Arizona.

Applicant anticipates commencement of service within 12 months of the issuance of the CCN, but the actual timing of entry will be determined at the time the CCN is issued. Applicant has entered into an ICA with Qwest in anticipation of the issuance of the CCN.

E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(E-1) Indicate whether the Applicant will abide by the quality of service standards that were approved by the Commission in Commission Decision Number 59421:

☒ Yes ☐ No

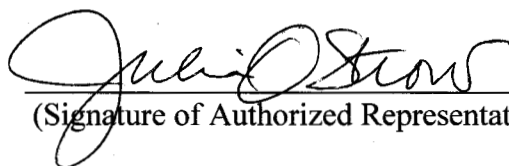
(E-2) Indicate whether the Applicant will provide all customers with 911 and E911 service, where available, and will coordinate with incumbent local exchange carriers ("ILECs") and emergency service providers to provide this service:

☒ Yes ☐ No

(E-3) Indicate that the Applicant's switch is "fully equal access capable" (i.e., would provide equal access to facilities-based long distance companies) pursuant to A.A.C. R14-2-1111 (A):

☒ Yes ☐ No

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Incorporation is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county, and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations relating to the regulations of telecommunications services (A.A.C. Title 14, Chapter 2, Article 11) and that the company will abide by Arizona state law including the Arizona Corporation Commission Rules. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.



(Signature of Authorized Representative)

12-18-06

(Date)

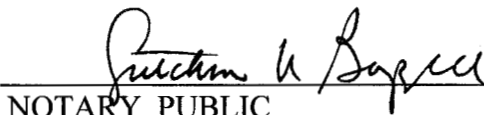
Julia Strow

(Print Name of Authorized Representative)

Vice President

(Title)

SUBSCRIBED AND SWORN to before me this 18th day of December, 2006



NOTARY PUBLIC

My Commission Expires January 11, 2009

ATTACHMENT

"A"

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION
CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****CBEYOND COMMUNICATIONS, LLC*****

a foreign limited liability company organized under the laws of the jurisdiction of Delaware did obtain a Certificate of Registration in Arizona on the 28th day of July 2000.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said limited liability company has not had its Certificate of Registration revoked for failure to comply with the provisions of A.R.S. section 29-601 et seq., the Arizona Limited Liability Company Act; and that the said limited liability company has not filed a Certificate of Cancellation as of the date of this certificate.

This certificate relates only to the legal authority of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 21st Day of December, 2006, A. D.


Executive Director

Order Number: 111226

ATTACHMENT

"B"

Cbeyond Communications, LLC

**320 Interstate North Parkway
Atlanta, Georgia 30339**

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES TARIFF

This tariff contains the description, regulations and rates for the furnishing of services and facilities for telecommunications services provided by Cbeyond Communications with principal offices at 320 Interstate North Parkway, Atlanta, Georgia 30339. This tariff applies for service furnished within the State of Arizona. This tariff is on file with the Arizona Corporation Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business in Atlanta, Georgia.

Issued:

Effective:

By: Julia Strow
Vice President, Regulatory and Industry Relations
320 Interstate North Parkway
Atlanta, Georgia 30339

CHECK SHEET

Pages of this tariff, as indicated below, are effective as of the date shown at the bottom of the respective pages. Original and revised pages, as named below, comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

PAGE	REVISION		PAGE	REVISION		PAGE	REVISION	
Title	Original	*	26	Original	*	51	Original	*
1	Original	*	27	Original	*	52	Original	*
2	Original	*	28	Original	*	53	Original	*
3	Original	*	29	Original	*	54	Original	*
4	Original	*	30	Original	*	55	Original	*
5	Original	*	31	Original	*			
6	Original	*	32	Original	*			
7	Original	*	33	Original	*			
8	Original	*	34	Original	*			
9	Original	*	35	Original	*			
10	Original	*	36	Original	*			
11	Original	*	37	Original	*			
12	Original	*	38	Original	*			
13	Original	*	39	Original	*			
14	Original	*	40	Original	*			
15	Original	*	41	Original	*			
16	Original	*	42	Original	*			
17	Original	*	43	Original	*			
18	Original	*	44	Original	*			
19	Original	*	45	Original	*			
20	Original	*	46	Original	*			
21	Original	*	47	Original	*			
22	Original	*	48	Original	*			
23	Original	*	49	Original	*			
24	Original	*	50	Original	*			
25	Original	*						

* - indicates those pages included with this filing

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By: Julia Strow
Vice President, Regulatory and Industry Relations
320 Interstate North Parkway
Atlanta, Georgia 30339

Effective:

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320 Interstate North Parkway
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Effective:

SYMBOLS

The following are the only symbols used for the purposes indicated below:

- (D) Delete or Discontinue
- (I) Change Resulting in an Increase to a Customer's Bill
- (M) Moved from Another Tariff Location
- (N) New
- (R) Change Resulting in a Reduction to a Customer's Bill
- (T) Change in Text or Regulation but no Change in Rate or Charge

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Atlanta, Georgia 30339

TARIFF FORMAT

- A. Sheet Numbering** - Page numbers appear in the upper right corner of the sheet. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between existing pages with whole numbers, a decimal is added. For example, a new page added between pages 34 and 35 would be page 34.1.
- B. Sheet Revision Numbering** - Revision numbers also appear in the upper right corner of the page. These numbers are used to determine the most current page version on file with the Commission. For example, 4th Revised Page 34 cancels the 3rd Revised Page 34. Consult the check sheet for the page currently in effect.
- C. Paragraph Numbering Sequence** - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2
 - 2.1
 - 2.1.1
 - 2.1.1.A
 - 2.1.1.A.1
 - 2.1.1.A.1.(a)
 - 2.1.1.A.1.(a).I
 - 2.1.1.A.1.(a).I.(i)
 - 2.1.1.A.1.(a).I.(i).(1)
- D. Check Sheet** - When a tariff is filed with the Commission, an updated check sheet accompanies the tariff filing. The check sheet lists the tariff pages, with a cross reference to the current revision number. When new sheets are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this sheet if these are the only changes made. The tariff user should refer to the latest check sheet to find out if a particular page is the most current on file with the Commission.

Issued:

Effective:

By: Julia Strow
Vice President, Regulatory and Industry Relations
320 Interstate North Parkway
Atlanta, Georgia 30339

APPLICATION OF TARIFF

This tariff sets forth the service offerings, rates and terms and conditions of service applicable to the furnishing of End-User local exchange telecommunications services by Cbeyond Communications, LLC ("Cbeyond" or "Company") to business Customers within the State of Arizona.

Issued:

By: Julia Strow
Vice President, Regulatory and Industry Relations
320 Interstate North Parkway
Atlanta, Georgia 30339

Effective:

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

1.1 Definitions

Busy Hour - The two consecutive half hours during which the greatest volume of traffic is handled.

Call - A completed connection between the Calling and Called parties.

Calling Station - The telephone number from which a Call originates.

Called Station - The telephone number called.

Carrier - An entity other than the Company that provides telecommunications services.

Commission - The Arizona Corporation Commission.

Company - Cbeyond Communications, LLC, unless specifically stated otherwise.

Customer - A person, firm, corporation, partnership or other entity, including affiliates or divisions of the Customer, in whose name the telephone number of the Calling Station is registered with the underlying local exchange company. The Customer is responsible for payment of charges to the Company and compliance with all terms and conditions of this tariff.

Day - The period of time from 8:00 a.m. to (but not including) 5:00 p.m., Monday through Friday, as measured by local time at the location from which the Call is originated.

Disconnect - To render inoperable or to disable circuitry thus preventing outgoing and incoming toll communications service.

Evening - The period of time from 5:00 p.m. to (but not including) 11:00 p.m., Sunday through Friday and any time during a Holiday, as measured by local time at the location from which the Call is originated.

Incomplete - Any Call where voice transmission between the Calling and Called station is not established.

Issued:

By: Julia Strow
Vice President, Regulatory and Industry Relations
320 Interstate North Parkway
Atlanta, Georgia 30339

Effective:

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (Cont'd.)

1.1 Definitions (Cont'd.)

Holiday - For the purposes of this tariff recognized holidays are New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Message - A completed telephone call by a Customer or User.

Normal Business Hours - The hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding holidays.

Premises - The space occupied by an individual Customer in a building, in adjoining buildings occupied entirely by that Customer, or on contiguous property occupied by the Customer separated only by a public thoroughfare, a railroad right of way, or a natural barrier.

Rate - Money, charge, fee or other recurring assessment billed to Customers for services or equipment.

State - Arizona

Terminal Equipment - Telephone instruments, including pay telephone equipment, the common equipment of large and small key and PBX systems and other devices and apparatus, and associated wiring, which are intended to be connected electrically, acoustically, or inductively to the telecommunication system.

User or End User - Customer or any authorized person or entity that utilizes the Company's services.

Issued:

By: Julia Strow
Vice President, Regulatory and Industry Relations
320 Interstate North Parkway
Atlanta, Georgia 30339

Effective:

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (Cont'd.)

1.2 Abbreviations

BLV - Busy Line Verification

CPE - Customer Premises Equipment

DID - Direct Inward Dialing

DOD - Direct Outward Dialing

PBX - Private Branch Exchange

PIC - Primary or Preferred Interexchange Carrier

POP - Point of Presence

V&H - Vertical and Horizontal Coordinates

Issued:

Effective:

By: Julia Strow
Vice President, Regulatory and Industry Relations
320 Interstate North Parkway
Atlanta, Georgia 30339

SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of the Company

- 2.1.1 The Company provides facilities-based local exchange telecommunications service to business Customers for the direct transmission of voice, data and other types of telecommunications.
- 2.1.2 The Company installs, operates and maintains the communications services provided herein in accordance with the terms and conditions set forth in this tariff. When authorized by the Customer, the Company may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities to allow connection of a Customer's location to the Company's network. The Customer shall be responsible for all charges due for such service arrangements.
- 2.1.3 The Company's services are provided on a monthly basis, unless otherwise stated in this tariff. Services are available twenty-four (24) hours per day, seven (7) days per week.

2.2 Limitations of Service

- 2.2.1 Service is offered subject to the availability of facilities and provisions of this tariff.
- 2.2.2 Service is furnished to the User for any lawful purpose. Service shall not be used for any unlawful purpose, nor used in such a manner as to interfere unreasonably with the use of service by any other Users.
- 2.2.3 The use of the Company's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, false or invalid numbers, or false calling or credit cards is prohibited.
- 2.2.4 The Company's services may be denied for nonpayment of charges or for other violations of the terms and conditions set forth in this tariff.
- 2.2.5 The use of the Company's services to make Calls which might reasonably be expected to frighten, abuse, torment, or harass another is prohibited.

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SECTION 2 - RULES AND REGULATIONS (Cont'd.)

2.2 Limitations of Service (Cont'd.)

- 2.2.6 Service temporarily may be refused or limited because of system capacity limitations.
- 2.2.7 Service is subject to transmission limitations caused by natural (including atmospheric, geographic or topographic) or artificial conditions adversely affecting transmission.
- 2.2.8 Service to any or all Customers may be temporarily interrupted or curtailed due to equipment modifications, upgrades, relocations, repairs and similar activities necessary for proper or improved operations.
- 2.2.9 The Company reserves the right to discontinue furnishing service where the Customer is using the service in violation of the law or the provisions of this tariff.

2.3 Limitations of Liability

- 2.3.1 Because the Company has no control of communications content transmitted over its system, and because of the possibility of errors incident to the provision and use of its service, service furnished by the Company is subject to the terms, conditions and limitations herein specified.
- 2.3.2 The Company is not liable to Users for interruptions in service except as set forth in Section 2.5 of this tariff.
- 2.3.3 The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited, unless otherwise ordered by the Commission, to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and service has been discontinued, to a refund of the amount erroneously billed.

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SECTION 2 - RULES AND REGULATIONS (Cont'd.)

2.3 Limitations of Liability (Cont'd.)

- 2.3.4 The Company shall not be liable for and the User shall indemnify and hold the Company harmless against any claims for loss or damages involving:
- 2.3.4.A Any act or omission of: (i) the User; or (ii) any other entity furnishing service, equipment or facilities for use in conjunction with services or facilities provided by the Company;
 - 2.3.4.B Interruptions or delays in transmission, or errors or defects in transmission, or failure to transmit when caused by or as a result of acts of God, fire, flood or other catastrophes, war, riots, national emergencies, government or military authorities, strikes, lock-outs, work stoppages or other labor difficulties, or causes beyond the Company's control;
 - 2.3.4.C Any unlawful or unauthorized use of the Company's facilities and services;
 - 2.3.4.D Libel, slander or infringement of copyright arising directly or indirectly from content transmitted over facilities provided by the Company;
 - 2.3.4.E Infringement of patents arising from combining apparatus and systems of the User with facilities provided by the Company;
 - 2.3.4.F Claims arising out of any act or omission of the User in connection with service provided by the Company;
 - 2.3.4.G Breach in the privacy or security of communications transmitted over the Company's facilities;

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SECTION 2 - RULES AND REGULATIONS (Cont'd.)

2.3 Limitations of Liability (Cont'd.)

2.3.4 (Cont'd.)

- 2.3.4.H Changes in any of the facilities, operations or procedures of the Company that:
(1) render any equipment, facilities or services provided or utilized by the User obsolete; (2) require modification or alteration of such equipment, facilities or services; or (3) otherwise affect use or performance of such equipment, facilities or services except where reasonable notice is required by the Company and is not provided to the Customer;
- 2.3.4.I Defacement of or damage to the Customer's Premises or personal property resulting from the furnishing of services or equipment on such Premises or the installation or removal thereof, unless such defacement is caused by negligence or the willful misconduct of the Company's agents or employees;
- 2.3.4.J Any wrongful act of a Company employee where such act is not authorized by the Company and is not within the scope of the employee's responsibilities for the Company;
- 2.3.4.K Any noncompleted calls due to network busy conditions; and
- 2.3.4.L Any calls not actually attempted to be completed during any period that service is unavailable.
- 2.3.5 The User shall reimburse the Company for all costs, expenses and fees (including reasonable attorneys' fees and costs) incurred by the Company in its defense against claims set forth in Section 2.3.4.
- 2.3.6 The Company assumes no responsibility for the availability or performance of any facilities under the control of other entities that are used to provide service to the User, even if the Company has acted as the User's agent in arranging for such facilities or services.

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SECTION 2 - RULES AND REGULATIONS (Cont'd.)

2.3 Limitations of Liability (Cont'd.)

- 2.3.7 Any claim against the Company shall be deemed waived unless presented in writing to the Company within thirty (30) days after the date of the occurrence that gave rise to the claim.
- 2.3.8 With respect to the services provided pursuant to this tariff, the Company makes no representations or warranties, express or implied, either in fact or by operation of law, statutory or otherwise, including, but not limited to, warranties of title or implied warranties of merchantability or fitness for a particular purpose, except those expressly set forth in this tariff. The Company does not authorize anyone to make a warranty or representation of any kind on its behalf and the User should not rely on any such statement.
- 2.3.9 Any liability of the Company for loss or damages arising out of mistakes, omissions, interruptions, delays, errors or defects in the service, the transmission of the service, or failures or defects in facilities furnished by the Company, occurring in the course of furnishing service shall in no event exceed an amount equivalent to the proportionate fixed monthly charge to the Customer for service, during the period of time in which such mistakes, omissions, interruptions, delays, errors or defects in the service, its transmission or failure or defect in facilities furnished by the Company occurred.

2.4 Responsibilities of the Customer

- 2.4.1 The Customer is responsible for placing any necessary orders, complying with tariff regulations and assuring that Users comply with tariff regulations. The Customer shall ensure compliance with any applicable laws, regulations, orders or other requirements of any governmental entity relating to services provided by the Company to the Customer or made available by the Customer to another User. The Customer also is responsible for the payment of charges for all Calls originated at the Customer's numbers which are not collect, third party, calling card, or credit card Calls.

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SECTION 2 - RULES AND REGULATIONS (Cont'd.)

2.4 Responsibilities of the Customer (Cont'd.)

- 2.4.2 The Customer is responsible for charges incurred for special construction and/or special facilities which the Customer requests and which are ordered by the Company on the Customer's behalf.
- 2.4.3 If required for the provisioning of the Company's services, the Customer must provide the Company, free of charge, with any necessary equipment space, supporting structure, conduit and electrical power.
- 2.4.4 The Customer is responsible for arranging access to its Premises at times mutually agreeable to the Company and the Customer when required for Company personnel to install, repair, maintain, program, inspect or remove equipment associated with the provision of the Company's services.
- 2.4.5 The Customer must pay the Company for replacement or repair of damage to the Company's equipment or facilities caused by negligent or improper use on the part of the Customer, Users, or others.
- 2.4.6 The Customer must indemnify the Company for the theft of any Company equipment or facilities installed at the Customer's Premises.
- 2.4.7 The Customer agrees, except where the events, incidents or eventualities set forth in this sentence are the result of the Company's gross negligence or willful misconduct, to release, indemnify and hold harmless the Company against any and all loss, claims, demands, suits or other action or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or person, for any personal injury to or death of any person or persons, or for any loss of or damage to any property, whether owned by the Customer or others. The Customer shall reimburse the Company for all costs, expenses and fees (including reasonable attorneys' fees and costs) incurred by the Company in its defense against such actions.

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SECTION 2 - RULES AND REGULATIONS (Cont'd.)

2.5 Allowances for Interruptions in Service

2.5.1 General

- 2.5.1.A A service is interrupted when it becomes unusable to the User, *e.g.*, the User is unable to transmit or receive communications due to the failure of a component furnished by the Company under this tariff.
- 2.5.1.B An interruption period begins when the User reports a service, facility or circuit to be inoperative and releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative.
- 2.5.1.C If the User reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, the service, facility or circuit is considered to be impaired but not interrupted. No credit allowances will be made for a service facility or circuit considered by the Company to be impaired.

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SECTION 2 - RULES AND REGULATIONS (Cont'd.)

2.5 Allowances for Interruptions in Service (Cont'd.)

2.5.2 Application of Credits for Interrupted Services

- 2.5.2.A At the Customer's request, a credit allowance for a continuous interruption of service for more than twenty-four (24) hours will be made in an amount to be determined by the Company on a case-by-case basis.
- 2.5.2.B Any such interruption will be measured from the time it is reported to or detected by the Company, whichever occurs first.
- 2.5.2.C In the event the User is affected by such interruption for a period of less than twenty-four (24) hours, no adjustment will be made. No adjustments will be earned by accumulating non-continuous periods of interruption.
- 2.5.2.D When an interruption exceeds twenty-four (24) hours, the length of the interruption will be measured in twenty-four (24) hour days. A fraction of a day consisting of less than twelve (12) hours will not be credited and a period of twelve (12) hours or more will be considered an additional day.

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SECTION 2 - RULES AND REGULATIONS (Cont'd.)

2.5 Allowances for Interruptions in Service (Cont'd.)

2.5.3 Limitations on Allowances

2.5.3.A No credit allowance will be made for any interruption of service:

- 2.5.3.A.1** due to the negligence of, or noncompliance with the provisions of this tariff by, any person or entity other than the Company, including but not limited to the Customer or other entities or carriers connected to the service of the Company;
- 2.5.3.A.2** due to the failure of power, equipment, systems or services not provided by the Company;
- 2.5.3.A.3** due to circumstances or causes beyond the control of the Company;
- 2.5.3.A.4** during any period in which the Company is not given full and free access to the Customer's or Company's facilities and equipment for the purpose of investigating and correcting the interruption;
- 2.5.3.A.5** during any period in which the User continues to use the service on an impaired basis;
- 2.5.3.A.6** during any period in which the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- 2.5.3.A.7** that occurs or continues due to the Customer's failure to authorize replacement of any element of special construction; and
- 2.5.3.A.8** that was not reported to the Company within thirty (30) days of the date that service was affected.

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SECTION 2 - RULES AND REGULATIONS (Cont'd.)

2.6 Termination of Service

- 2.6.1 A Customer may terminate service, with or without cause, by giving the Company notice in writing. The Company may terminate service for non-payment of any invoice that is thirty (30) days past due after giving the Customer five (5) business days prior written notice. The Company may terminate service without notice in the event of the Customer maintaining and/or operating its own equipment in a manner that may cause imminent harm to the Company's equipment. If the Customer has signed a Term Agreement, early termination charges may apply. See Section 2.9.1.
- 2.6.2 The Customer is responsible for all charges incurred to the Calling Station regardless of which party terminates the service. The Customer shall reimburse the Company for all costs, expenses and fees (including reasonable attorneys' fees and costs) incurred by the Company in collecting such charges.

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SECTION 2 - RULES AND REGULATIONS (Cont'd.)

2.7 Payment of Charges

- 2.7.1 The Customer is responsible for payment of all charges for service furnished to the User.
- 2.7.2 The Company reserves the right to assess late payment charges for Customers whose account(s) carries principal owing from the prior billing period. Any charges not paid in full by the due date indicated on the billing statement may be subject to a late fee of 1.5% per month.
- 2.7.3 Recurring monthly charges may be invoiced one month in advance. Invoicing cycles are approximately 30 days in length.
- 2.7.4 Customers must notify the Company either verbally or in writing of any disputed charges within thirty (30) days of the billing date, otherwise all charges on the invoice will be deemed accepted. All charges remain due and payable at the due date, although a Customer is not required to pay disputed charges while the Company conducts its investigation into the matter.

2.8 Contracts

- 2.8.1 Contracts will be used in special circumstances for Individual Case Basis ("ICB") service offerings. The terms and conditions for each contract offering are subject to the agreement of both the Customer and Cbeyond. Any specific contract will be made available to similarly situated Customers in substantially similar circumstances. Contracts are available to any similarly situated Customer that places an order within 30 days of their effective date. With respect to ICB offerings, Cbeyond will provide a notice or make it available to the Commission upon its request.

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SECTION 2 - RULES AND REGULATIONS (Cont'd.)

2.9 Term Agreements

2.9.1 Cbeyond offers Term Agreements wherein the Customer agrees to retain Cbeyond services for a mutually agreed upon length of time. If a customer terminates service prior to the end of the term agreement, a termination charge will apply. This termination charge is equal to the monthly recurring charges times the number of months remaining in the then current term plus all non-recurring charges for which Cbeyond has not been reimbursed.

2.10 Deposits

The Company may at times require deposits from Customers, and will comply with Ariz. Admin. Code R14-2-503 for the amount of the deposit and guidelines for requiring a deposit. The Company will pay interest at the rate of 3% per year, simple interest.

2.11 Advance Payments

The Company will not require advance payments from Customers.

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SECTION 2 - RULES AND REGULATIONS (Cont'd.)

2.12 Contested Charges

All bills are presumed accurate, and shall be binding on the Customer unless objection is received by the Company no more than thirty (30) days after such bills are rendered. In the event that a billing dispute between the Customer and the Company for service furnished to the Customer cannot be settled with mutual satisfaction, the Customer may take the following course of action:

2.12.1 First, the Customer may request, and the Company will provide, an in-depth review of the disputed amount. (The undisputed portion and subsequent bills must be paid on a timely basis or the service may be subject to disconnection.)

2.12.2 Second, if there is still a disagreement about the disputed amount after investigation and review by the Company, the Customer may file an appropriate complaint with the Arizona Corporation Commission. The address of the Commission is:

Arizona Corporation Commission
Utilities Division
1200 West Washington
Phoenix, AZ 85007-2996

2.13 Taxes

State and local sales, use and similar taxes are billed as separate items and are not included in the quoted rates for service.

2.14 Arizona Universal Service Fund (AUSF)

In addition to all other taxes and fees that are listed herein or passed through in the normal course of business (e.g. sales tax), the Company shall also add an amount to be collected to each bill for recovery of the Arizona Universal Service Fund (AUSF).

Towards the ultimate goal that basic service be available and affordable to all citizens of the state, the Arizona Corporation Commission has created support mechanisms to assist in the provision of such service in high-cost areas. Pursuant to Arizona Administrative Code, R14-2, Article 12, the Rule directs that the surcharge will be levied on all telecommunications service purchased by end-users.

The Arizona Universal Service Fund (AUSF) surcharge will be the amount set forth in the Arizona Administrative Code, R14-2, Article 12. The percentage and amounts set forth will be subject to periodic adjustment by the Company.

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SECTION 3 - DESCRIPTION OF SERVICE

3.1 Timing of Calls

- 3.1.1 The Customer's monthly usage charges for the Company service are based upon the total number of minutes the Customer uses and the service options to which the Customer subscribes. Chargeable time begins at the time the called party answers (*i.e.* when two-way communications is possible), and ends when either party hangs up.
- 3.1.2 No charges apply if a Call is not completed.
- 3.1.3 For billing purposes, all Calls are rounded up to the nearest minute and billed in increments of one minute. The minimum Call duration is 1 minute for a connected Call.
- 3.1.4 Where applicable, charges will be rounded up to the nearest penny.
- 3.1.5 Usage begins when the called party picks up the receiver (*i.e.* when two-way communication is possible). The Company utilizes software answer supervision, which permits up to 60 seconds of ringing before the Call becomes billed usage. A Call is terminated when the calling or called party hangs up.
- 3.1.6 The Company will not knowingly charge for Incomplete Calls. Upon the Customer's request and proper verification, the Company shall promptly adjust or credit the Customer's account for charges or payments for any unanswered Call inadvertently billed due to the unavailability of Feature Group D or due to another carrier's failure to provide answer supervision. Where answer supervision is not available, any Call for which the duration exceeds one (1) minute shall be presumed to have been answered.

3.2 Start of Billing

Billing will begin upon the earlier of (i) connection of the facility to the customer network and commencement of services (service activation) or (ii) within 15 days after delivery of the applicable facility to the customer premises by the facility provider, unless the delay in connection of the facility is due to the fault of or requested by Cbeyond. The end of service date is the last day of the minimum notification of cancellation or any portion of the last day, after receipt by the Company of notification of cancellation as described in Section 2.6.1 of this tariff.

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SECTION 3 - DESCRIPTION OF SERVICE (Cont'd.)

3.3 Calculation of Distance

3.3.1 Where applicable, usage charges for all mileage sensitive products are based on the airline distance between rate centers associated with the originating and terminating points of the Call.

3.3.2 Where applicable, the airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved.

3.4 Minimum Call Completion Rate

The Customer can expect a call completion rate of at least 97% per 100 Calls attempted during peak use periods for all Feature Group D (1+) services.

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SECTION 3 - DESCRIPTION OF SERVICE (Cont'd.)

3.5 Local Exchange Service Offerings

Where technically and economically feasible, the Company offers local exchange telecommunications services to business Customers pursuant to contractual arrangements. The Customer's total monthly use of the Company's service is charged at the applicable rates, in addition to any monthly service charges.

3.5.1 Business Local Exchange Service

Business Local Exchange Service provides the Customer with basic business access lines allowing connectivity to the local service network and features.

3.5.2 Business Trunk Line Service

Business Trunk Line Service provides trunk-featured business local services for connection to Key and PBX systems. Service will include Direct Outward Dial ("DOD").

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SECTION 3 - DESCRIPTION OF SERVICE (Cont'd.)

3.5 Local Exchange Service Offerings (Cont'd.)

3.5.3 Trunk Line Call Hunting Service

Trunk Line Call Hunting Service is a Local Business Line Service that may be sold with hunting features to front-end an existing Key or PBX System.

3.5.4 Direct Inward Dial ("DID") Service

DID enables a Caller to complete a Call to a specific extension without being transferred by an attendant. The Company offers DID service to its Customers in minimum blocks of ten (10) telephone numbers.

The Company reserves the right to review vacant DID Stations or Stations not in use to determine efficient telephone number utilization. Should the Company determine, based on its own discretion, that inefficient number utilization is occurring, the Company reserves the right to reassign the unused DID Stations.

The Customer has no property rights to the telephone number or any other call number destination associated with DID service furnished by the Company, and no right to the continuance of service through any particular end-office.

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SECTION 3 - DESCRIPTION OF SERVICE (Cont'd.)**3.6 Additional Local Exchange Service Offerings****3.6.1 Directory Assistance Service**

Directory Assistance Service provides the Customer with the ability to use a directory assistance operator to provide listing information. The Company will provide access to Directory Assistance Service through arrangements with other telecommunications companies. A maximum of two (2) telephone numbers per Customer may be requested per Call.

3.6.2 Directory Assistance Call Completion ("DACC") Service

DACC service provides the Customer with the ability to use the directory assistance operator to connect the Customer with the party whose listing information the directory assistance operator has provided to the Customer. The DACC charge is in addition to the per Call charges for Directory Assistance set forth above.

3.6.3 Operator Services

Operator Services involve live or automated operator assistance with the placement of Customers' telephone Calls and related information. The Company will provide access to Operator Services through arrangements with other telecommunications companies.

3.6.4 Directory Listings

The Company shall provide for a single Directory Listing, termed the primary listing, in the telephone directory published by the dominant exchange service provider in the Customer's exchange area of the Station number that is designated as the Customer's main billing number. Additional information or additional or alternate Company Station numbers, other than the Customer's main billing number associated with a Customer's service, also will be provided to the Customer for a monthly recurring charge per listing.

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SECTION 3 - DESCRIPTION OF SERVICE (Cont'd.)

3.6 Additional Local Exchange Service Offerings (Cont'd.)

3.6.5 Caller ID Number

Displays the telephone number of an incoming Call on a CPE device attached to the Customer's telephone line.

3.6.6 Caller ID with Name and Number

Displays the name and telephone number of an incoming Call on a CPE device attached to the Customer's telephone line.

3.6.7 Call Forwarding

3.6.7.A Call Forwarding - Universal

This service allows the Customer to forward Calls to any telephone number or station in the Customer Group that their station is allowed to call, including voicemail and the attendant. Call Forwarding - Universal takes precedence over Call Forward - No Answer, and calls are forwarded immediately.

3.6.7.B Call Forwarding - No Answer

Calls are automatically forwarded to a number or station in the Customer Group after a specified number of rings.

3.6.7.C Call Forwarding - Busy

Calls are automatically forwarded to a number or station in the Customer Group when the user's line is busy.

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SECTION 3 - DESCRIPTION OF SERVICE (Cont'd.)

3.6 Additional Local Exchange Service Offerings (Cont'd.)

3.6.8 Call Waiting

When a line is in use, Call Waiting will generate an audible tone that will allow the user to know that another Call is coming in. The user may answer the new Call, and alternate between Calls, by pressing the hook flash switch on the telephone.

3.6.9 Cancel Call Waiting

Allows the user, on a per-Call basis, to cancel the Call Waiting function by dialing 70 before making a Call.

3.6.10 Call Transfer

Allows a user to transfer a Call to another station within the Customer Group or to an outside telephone number.

3.6.11 Three-Way Calling

Permits a user to place an existing Call on hold, dial another station in the Customer Group or outside telephone number, and bridge the new Call to the existing connection.

3.6.12 Last Number Redial

Allows a user to transfer a Call to another station within the Customer Group or to an outside telephone number.

3.6.13 Speed Calling

Enables a Customer to place calls to other telephone numbers by dialing a pre-programmed one or two-digit code rather than the complete telephone number. Speed Calling provides a 30-code capacity.

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SECTION 3 - DESCRIPTION OF SERVICE (Cont'd.)

3.6 Additional Local Exchange Service Offerings (Cont'd.)

3.6.14 Call Park

Allows a Call to be placed on hold by one station and retrieved by another station in the Customer Group.

3.6.15 Distinctive Ring

Assigns different ring tones for Calls from within the Customer Group and for those from outside.

3.6.16 Calling ID Delivery Block

Allows a station to block the display of their number and name on outgoing Calls on a per-Call basis for a fee.

3.6.17 Anonymous Call Rejection

Allows a called party to block calls from parties that have marked their calls "private".

3.6.18 Automatic Busy Redial

Permits the Customer to redial automatically the last number dialed. If the called line is busy, a 30-minute queuing process begins. The customer is then given an indication that the network will attempt to set up the call when the called line is idle.

3.6.19 Automatic Call Return

Enables a Customer to automatically return the last incoming Call. To return the Call, the Customer dials a feature code and the number is dialed automatically. If the called line is busy, a 30-minute queuing process begins. The Customer is then given an indication that the network will attempt to set up the Call when the called line is idle.

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SECTION 3 - DESCRIPTION OF SERVICE (Cont'd.)**3.6 Additional Local Exchange Service Offerings (Cont'd.)****3.6.20 Call Blocking/Toll Restriction****3.6.20.A 900/976 Blocking**

900/976 blocking permits a new or existing Customer, on a per-line basis, to block all Calls made from its Calling Station to a 900 or 976-type telephone number. This Call Blocking option prevents Calls to 900/976 information service providers by blocking the following dialing sequences: 1+900 and 1+976.

3.6.20.B Long Distance Blocking

This Call Blocking option prevents 1+ long distance calls by station by blocking the following dialing sequences on a per-line basis: 1 + (NPA) + NXX + XXXX and 1 + NXX + XXXX.

3.6.20.C Directory Services Blocking

This Call Blocking option prevents Calls to local Directory Services and casual dialed long distance providers by blocking the following dialing sequences on a per-line basis: 1+555-1212, 1+NPA+555-1212, and 411.

3.6.20.D Operator Services Blocking

This Call Blocking option prevents Calls to local Operator Services by blocking the following dialing sequences on a per-line basis: 0+ and 0-.

3.6.20.E International Blocking

This Call Blocking option blocks access to international calling services on a per-line basis.

3.6.20.F 3rd Party and Collect Call Blocking

This Call Blocking option blocks access to inbound 3rd Party and Collect calls on a per-line basis.

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SECTION 3 - DESCRIPTION OF SERVICE (Cont'd.)**3.6 Additional Local Exchange Service Offerings (Cont'd.)****3.6.21 Local Number Portability**

Local Number Portability is a service that enables the End User to retain use of the existing local exchange carriers number after choosing the Company as its local exchange carrier, provided that the Customer's location remains the same after the switch.

3.6.22 N11 Services

N11 Services provides Customers with the ability to receive special services through Cbeyond by dialing a three-digit number.

A. Directory Services (411)

Directory Services allows a customer to obtain the listed telephone number for a given name and address by dialing 411. Rates for this service are specified in Section 4.2 of this tariff.

B. Repair Service (611)

Repair Services allows Customers to report troubles to Cbeyond customer service by dialing 611. There is no charge for this service.

C. Telecommunications Relay Services (711)

Arizona Telecommunications Relay Service ("TRS") enables deaf, hard-of-hearing or speech-impaired persons who use a Text Telephone ("TT") or similar device to communicate freely with the hearing population not using TTs and visa versa. The Company will provide access to TRS through arrangements with other telecommunications carriers to enable Customers to access the TRS state provider to complete TRS Calls. Hearing callers who wish to reach people who are deaf, hard of hearing or speech disabled may dial 1-800-255-0135 and text telephone users may dial 1-800-255-0056. Arizona TRS users may dial 711 from inside Arizona to place relay calls. There is no charge for placing 711 calls.

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SECTION 3 - DESCRIPTION OF SERVICE (Cont'd.)

3.6 Additional Local Exchange Service Offerings (Cont'd.)

3.6.22 N11 Services (Cont'd.)

C. Telecommunications Relay Services (711) (Cont'd.)

Access to 711 is not available to the following classes of service:

1. Hotel/Motel/Hospital Service (toll call only)
2. 1+
3. 0+, 0-, (Credit Card, Third-Party Billing, Collect Calls)
4. Inmate Service
5. 101XXXX
6. Cellular - Type 2A

In addition, operator assisted calls to the 711 will not be completed.

The TRS entity is responsible for, and shall indemnify, protect, defend and save harmless the Company against all suits, actions, claims, demands and judgments, and of all costs, expenses and counsel fees incurred on account thereof, arising out of and resulting directly or indirectly from the service or in connection therewith, including, but not limited to, any loss, damage, expense or liability resulting from any infringement or claim of infringement, of any patent, trademark, copyright, or resulting from any claims of liable and slander.

The TRS entity shall respond promptly to any and all complaints lodged with any regulatory authority against any service provided via 711. If requested by the Company, the TRS entity shall assist the Company in responding to complaints made to the Company concerning the 711 dialing code.

In no event shall the Company be liable for any losses or damages of any kind resulting from the unavailability of its equipment or facilities or for any act, omission or failure of performance by the Company, or its employees, or agents, in connection with this Tariff. The Company shall not be responsible for calls that cannot be completed as a result of repair or maintenance difficulties on Company facilities and equipment nor on equipment owned or leased by the TRS entity.

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SECTION 3 - DESCRIPTION OF SERVICE (Cont'd.)**3.6 Additional Local Exchange Service Offerings (Cont'd.)****3.6.22 N11 Services (Cont'd.)****D. 911 and E911 Services**

Emergency Services (Enhanced 911) allow Customers to reach appropriate emergency services, including: police, fire and hospital medical services. Enhanced 911 Service has the ability to selectively route an emergency Call to the primary 911 provider so that it reaches the correct emergency service located closest to the Caller. In addition, Enhanced 911 Service enables the Customer's address and telephone information to be displayed to the person handling the 911 Call. The Company will provide access to 911 and E911 services either directly or through arrangements with other telecommunications carriers.

3.6.23 Remote Call Forwarding (RCF) - RCF allows all calls dialed to a telephone number equipped for RCF service to be automatically forwarded to another dialable telephone number. This service enables a customer to list a local directory number that is forwarded to a different city or exchange. Each RCF service allows for the forwarding of one call at a given time. The RCF customer is responsible for any applicable usage rates/charges between the RCF number and the terminating number.

Conditions:

1. RCF service is not offered when the answering location for a forwarded call is a coin/coinless, Semi-public/public telephone service.
2. The Company cannot guarantee the grade of transmission on remotely forwarded calls. Normal grade end-to-end transmission is not guaranteed because transmission characteristics may vary depending on distance and routing required to complete the forwarded portion of the call.

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SECTION 3 - DESCRIPTION OF SERVICE (Cont'd..)

3.6 Additional Local Exchange Service Offerings (Cont'd.)

3.6.23 Remote Call Forwarding (RCF) (Cont'd.)

3. RCF service will only be provided when, in the judgement of the Company, the customer subscribes to sufficient RCF facilities at the terminating (answering) location to adequately handle calls without impairing, disrupting or deteriorating any services offered by the Company. In the event that the use of RCF service causes impairment, disruption or deterioration, the Company shall have the right to discontinue the RCF service.

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SECTION 3 - DESCRIPTION OF SERVICE (Cont'd.)

3.7 Miscellaneous Service Charges

3.7.1 Order Change

An Order Change is a change in the Customer's service initiated by the Customer.

3.7.2 Telephone Number Change

A Telephone Number Change is a change in the Customer's telephone number.

3.7.3 Bad Check Charge

If payment for Service is made by a check, draft, or similar instrument (collectively "Check") that is returned to the Company unpaid by a bank or another financial institution for any reason, the Company will bill the Customer a returned check charge. In addition, the Customer may be required to replace the returned Check with a payment in cash or equivalent to cash, such as cashier's check, certified check or money order.

3.7.4 Reconnection

Reconnection charges occur where service to an existing Customer has been discontinued for proper cause, and the Customer desires to resume service with the Company. Where a Customer desires reconnection, the Customer will be charged a fee to cover the cost to the Company of restoring service to the Customer.

3.7.5 Expedite Installation

Expedite Installation charges occur when Customer has requested service installation sooner than the normal schedule.

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SECTION 3 - DESCRIPTION OF SERVICE (Cont'd.)

3.7 Miscellaneous Service Charges (Cont'd.)

3.7.6 Service Premises Visit

Service Visit charges occur when Customer has requested a service visit to the customer premises.

3.7.7 Non-routine Installation

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in unusual locations. In such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to weekends, holidays, and/or night hours, additional charges may apply.

3.7.8 Missed Appointment Charge

When the Company and the Customer have agreed to an installation date and time, and the Customer is not available at the premises to allow for installation of service at the appointed time, a Missed Appointment Charge will apply.

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SECTION 4 – MAXIMUM RATES AND CHARGES**4.1 Local Exchange Service Offerings****4.1.1 Business Local Exchange Service***Flat Rate Service:*

Monthly recurring charge, per line: \$135.00

Non-recurring charge, per line: \$300.00

4.1.2 Business Trunk Line Service

Monthly recurring charge, per line: \$180.00

Non-recurring charge, per line: \$300.00

Hunting Service, per line: \$ 45.00

Hunting Maintenance, per event \$ 60.00

4.1.3 DID Installation

Per first ten (10) numbers: \$2,745.00

Monthly recurring charge: \$ 15.00

Per additional ten (10) numbers: \$ 60.00

Monthly recurring charge: \$ 15.00

4.1.4 DID Trunk Termination Installation

Non-recurring charge: \$ 225.00

Monthly recurring charge: \$ 30.00

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SECTION 4 – MAXIMUM RATES AND CHARGES (Cont'd.)4.2 Additional Local Exchange Service Offerings4.2.1 Directory Assistance4.2.1.A Directory Assistance Service

First three (3) Calls:	\$ 0.00
Per each additional Call:	\$ 3.00

4.2.1.B Directory Assistance Call Completion Service

Per Call Completion:	\$ 2.55
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4.2.1.C Operator Services

Station-to-Station Collect, Per Call	\$ 1.50
Per minute:	\$ 0.75
Person-to-Person Collect, Per Call	\$ 1.50
Per minute:	\$ 0.75
Calling Card Service, Per Call	\$ 1.50
Operator-Dialed Surcharge	\$ 1.50
BLV, Per Call	\$ 6.00
Emergency Interrupt, Per Call	\$ 1.50
<i>Requires BLV</i>	

4.2.2 Directory Listings

1st Listing:	<i>no charge</i>
--------------	------------------

Per Additional Information Listing:	
Recurring monthly charge:	\$ 6.00
Non-recurring charge, per listing	\$60.00
Existing Listing Change, per listing	\$60.00

4.2.3 Directories

There is no charge for one (1) White Pages Directory per Customer per year.

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SECTION 4 – MAXIMUM RATES AND CHARGES (Cont'd.)**4.2 Additional Local Exchange Service Offerings** (Cont'd.)**4.2.4 Caller ID Number**

Monthly recurring charge:	\$21.00
Non-recurring charge:	\$30.00

4.2.5 Caller ID with Name and Number

Monthly recurring charge:	\$30.00
Non-recurring charge:	\$30.00

4.2.6 Call Forwarding-No Answer

Monthly recurring charge:	\$ 9.00
Non-recurring charge:	\$30.00

4.2.7 Call Forwarding-Busy

Monthly recurring charge:	\$ 9.00
Non-recurring charge:	\$30.00

4.2.8 Call Forwarding-Universal

Monthly recurring charge:	\$ 9.00
Non-recurring charge:	\$30.00

4.2.9 Call Waiting/Cancel Call Waiting

Monthly recurring charge:	\$10.50
Non-recurring charge:	\$30.00

4.2.10 Call Transfer

Monthly recurring charge:	\$11.25
Non-recurring charge:	\$30.00

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SECTION 4 – MAXIMUM RATES AND CHARGES (Cont'd.)4.2 Additional Local Exchange Service Offerings (Cont'd.)4.2.11 Three-Way Calling

Monthly recurring charge:	\$11.25
Non-recurring charge:	\$30.00

4.2.12 Last Number Redial

Monthly recurring charge:	\$ 9.00
Non-recurring charge:	\$30.00

4.2.13 Speed Calling

Monthly recurring charge (30 code):	\$12.00
Non-recurring charge:	\$30.00

4.2.14 Call Park

Monthly recurring charge:	\$ 9.00
Non-recurring charge:	\$30.00

4.2.15 Distinctive Ring

Monthly recurring charge:	\$ 9.00
Non-recurring charge:	\$30.00

4.2.16 Calling Number Delivery Block

Monthly recurring charge:	<i>no charge</i>
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SECTION 4 – MAXIMUM RATES AND CHARGES (Cont'd.)**4.2 Additional Local Exchange Service Offerings** (Cont'd.)**4.2.17 Anonymous Call Rejection**

Monthly recurring charge:	\$ 9.00
Non-recurring charge:	\$30.00

4.2.18 Automatic Busy Redial

Monthly recurring charge:	\$ 9.00
Charge per use:	\$ 2.25
Non-recurring charge:	\$30.00

4.2.19 Automatic Call Return

Monthly recurring charge:	\$ 9.00
Charge per use:	\$ 2.25
Non-recurring charge:	\$30.00

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SECTION 4 – MAXIMUM RATES AND CHARGES (Cont'd.)**4.2 Additional Local Exchange Service Offerings** (Cont'd.)**4.2.20 Call Blocking/Toll Restriction****4.2.20.A 900/976 Blocking**

Monthly recurring charge: No charge

4.2.20.B 1+ Long Distance Blocking

Monthly recurring charge: \$3.00

4.2.20.C Directory Service Blocking

Monthly recurring charge: \$3.00

4.2.20.D Operator Service Blocking

Monthly recurring charge: \$3.00

4.2.20.E International Call Blocking

Monthly recurring charge: \$3.00

4.2.20.F 3rd Party/Collect Call Blocking

Monthly recurring charge: \$3.00

4.2.21 Local Number Portability

Where applicable, the Company will assess on End User Customers a monthly Local Number Portability ("LNP") fee or fees to recover the Company's costs of porting the Customer's number/s from its existing carrier to the Company.

Per month charges:

Per line:	\$ 1.05
Per PBX trunk:	\$ 9.45

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SECTION 4 – MAXIMUM RATES AND CHARGES (Cont'd.)

4.2 Additional Local Exchange Service Offerings (Cont'd.)

4.2.22 Remote Call Forwarding

Per Line:

Monthly recurring charge:	\$150.00
Non-recurring charge (if after installation):	\$150.00

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Effective:

SECTION 4 – MAXIMUM RATES AND CHARGES (Cont'd.)4.3 Miscellaneous Charges4.3.1 Order Change

Per change: \$150.00

4.3.2 Telephone Number Change

Per change: \$150.00

4.3.3 Bad Check Charge

Per returned check: \$75.00

4.3.4 Reconnection

Per line: ICB

4.3.5 Expedite Charge

Per Order: ICB

4.3.6 Service Premise Visit

Per hour: \$450.00

4.3.7 Non-routine Installation

ICB

4.3.8 Missed Appointment Charge

Per occurrence \$750.00

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SECTION 5 – PROMOTIONAL OFFERINGS

5.1 Promotions

From time to time, the Company, in compliance with all Commission regulations, may offer services or waive or vary service rates for promotional, market research or other similar business purposes.

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SECTION 6 – CURRENT PRICE LIST**6.1 Local Exchange Service Offerings****6.1.1 Business Local Exchange Service***Flat Rate Service:*

Monthly recurring charge, per line: \$ 45.00

Non-recurring charge, per line: \$100.00

6.1.2 Business Trunk Line Service

Monthly recurring charge, per line: \$ 60.00

Non-recurring charge, per line: \$100.00

Hunting Service, per line: \$ 15.00

Hunting Maintenance, per event \$ 20.00

6.1.3 DID Installation

Per first ten (10) numbers: \$915.00

Monthly recurring charge: \$ 5.00

Per additional ten (10) numbers: \$ 20.00

Monthly recurring charge: \$ 5.00

6.1.4 DID Trunk Termination Installation

Non-recurring charge: \$ 75.00

Monthly recurring charge: \$ 10.00

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SECTION 6 – CURRENT PRICE LIST (Cont'd.)6.2 Additional Local Exchange Service Offerings6.2.1 Directory Assistance6.2.1.A Directory Assistance Service

First three (3) Calls:	\$ 0.00
Per each additional Call:	\$ 1.00

6.2.1.B Directory Assistance Call Completion Service

Per Call Completion:	\$ 0.85
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6.2.1.C Operator Services

Station-to-Station Collect, Per Call	\$ 0.50
Per minute:	\$ 0.25
Person-to-Person Collect, Per Call	\$ 0.50
Per minute:	\$ 0.25
Calling Card Service, Per Call	\$ 0.50
Operator-Dialed Surcharge	\$ 0.50
BLV, Per Call	\$ 2.00
Emergency Interrupt, Per Call	\$ 0.50
<i>Requires BLV</i>	

6.2.2 Directory Listings

1st Listing:	<i>no charge</i>
--------------	------------------

Per Additional Information Listing:

Recurring monthly charge:	\$ 2.00
Non-recurring charge, per listing	\$20.00
Existing Listing Change, per listing	\$20.00

6.2.3 Directories

There is no charge for one (1) White Pages Directory per Customer per year.

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SECTION 6 – CURRENT PRICE LIST (Cont'd.)6.2 Additional Local Exchange Service Offerings (Cont'd.)6.2.4 Caller ID Number

Monthly recurring charge:	\$ 7.00
Non-recurring charge:	\$10.00

6.2.5 Caller ID with Name and Number

Monthly recurring charge:	\$10.00
Non-recurring charge:	\$10.00

6.2.6 Call Forwarding-No Answer

Monthly recurring charge:	\$ 3.00
Non-recurring charge:	\$10.00

6.2.7 Call Forwarding-Busy

Monthly recurring charge:	\$ 3.00
Non-recurring charge:	\$10.00

6.2.8 Call Forwarding-Universal

Monthly recurring charge:	\$ 3.00
Non-recurring charge:	\$10.00

6.2.9 Call Waiting/Cancel Call Waiting

Monthly recurring charge:	\$ 3.50
Non-recurring charge:	\$10.00

6.2.10 Call Transfer

Monthly recurring charge:	\$ 3.75
Non-recurring charge:	\$10.00

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SECTION 6 – CURRENT PRICE LIST (Cont'd.)6.2 Additional Local Exchange Service Offerings (Cont'd.)6.2.11 Three-Way Calling

Monthly recurring charge:	\$ 3.75
Non-recurring charge:	\$10.00

6.2.12 Last Number Redial

Monthly recurring charge:	\$ 3.00
Non-recurring charge:	\$10.00

6.2.13 Speed Calling

Monthly recurring charge (30 code):	\$ 4.00
Non-recurring charge:	\$10.00

6.2.14 Call Park

Monthly recurring charge:	\$ 3.00
Non-recurring charge:	\$10.00

6.2.15 Distinctive Ring

Monthly recurring charge:	\$ 3.00
Non-recurring charge:	\$10.00

6.2.16 Calling Number Delivery Block

Monthly recurring charge:	<i>no charge</i>
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By: Julia Strow
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SECTION 6 – CURRENT PRICE LIST (Cont'd.)**6.2 Additional Local Exchange Service Offerings (Cont'd.)****6.2.17 Anonymous Call Rejection**

Monthly recurring charge:	\$ 3.00
Non-recurring charge:	\$10.00

6.2.18 Automatic Busy Redial

Monthly recurring charge:	\$ 3.00
Charge per use:	\$ 0.75
Non-recurring charge:	\$10.00

6.2.19 Automatic Call Return

Monthly recurring charge:	\$ 3.00
Charge per use:	\$ 0.75
Non-recurring charge:	\$10.00

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Atlanta, Georgia 30339

SECTION 6 – CURRENT PRICE LIST (Cont'd.)**6.2 Additional Local Exchange Service Offerings (Cont'd.)****6.2.20 Call Blocking/Toll Restriction****6.2.20.A 900/976 Blocking**

Monthly recurring charge: No charge

6.2.20.B 1+ Long Distance Blocking

Monthly recurring charge: \$1.00

6.2.20.C Directory Service Blocking

Monthly recurring charge: \$1.00

6.2.20.D Operator Service Blocking

Monthly recurring charge: \$1.00

6.2.20.E International Call Blocking

Monthly recurring charge: \$1.00

6.2.20.F 3rd Party/Collect Call Blocking

Monthly recurring charge: \$1.00

6.2.21 Local Number Portability

Where applicable, the Company will assess on End User Customers a monthly Local Number Portability ("LNP") fee or fees to recover the Company's costs of porting the Customer's number/s from its existing carrier to the Company.

Per month charges:

Per line: \$ 0.35

Per PBX trunk: \$ 3.15

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SECTION 6 – CURRENT PRICE LIST (Cont'd.)

6.2 Additional Local Exchange Service Offerings (Cont'd.)

6.2.22 Remote Call Forwarding

Per Line:

Monthly recurring charge:	\$50.00
Non-recurring charge (if after installation):	\$50.00

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Effective:

SECTION 6 – CURRENT PRICE LIST (Cont'd.)**6.3 Miscellaneous Charges****6.3.1 Order Change**

Per change: \$50.00

6.3.2 Telephone Number Change

Per change: \$50.00

6.3.3 Bad Check Charge

Per returned check: \$25.00

6.3.4 Reconnection

Per line: ICB

6.3.5 Expedite Charge

Per Order: ICB

6.3.6 Service Premise Visit

Per hour: \$150.00

6.3.7 Non-routine Installation

ICB

6.3.8 Missed Appointment Charge

Per occurrence \$250.00

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ATTACHMENT

"C"

N/A

ATTACHMENT

"D"

N/A

ATTACHMENT

"E"

Cbeyond possesses the managerial expertise and experience necessary to provide the services it proposes herein. In support of its application, Cbeyond submits the following information to demonstrate that it has sufficient managerial telecommunications experience and expertise adequate to ensure its provision of basic local exchange telecommunications services within the State of Arizona.

Cbeyond's Board of Directors consists of the following people:

James F. Geiger

Founder, President and CEO
Cbeyond Communications, LLC

Richard I. Goldstein

Managing Director
Associated Group, LLC

James N. Perry, Jr.

Managing Director
Madison Dearborn Partners

Douglas C. Grissom

Director
Madison Dearborn Partners

Anthony M. Abate

General Partner
Ironsides Ventures

Michael Yagemann

Managing Director
Vantage Point Venture Partners

D. Scott Luttrell

Founder and CEO
Luttrell Capital Managent

All of the Members of the Board of Directors may be reached at:

CBYOND COMMUNICATIONS, LLC
320 Interstate North Parkway
Suite 300

Atlanta, Georgia 30339
(678) 424-2400

The Management Team at Cbeyond includes:

James F. Geiger

Founder, President and CEO
Cbeyond Communications, LLC

As founder and chief executive officer of Cbeyond Communications, LLC, Jim Geiger drives Cbeyond's strategy and its vision of becoming a powerful force in the telecommunications industry by changing the customer experience for the underserved and growing small business market. According to Mr. Geiger, "Cbeyond's mission is to create a telecommunications company of a new breed. Each member of the Cbeyond team will have the customer as a single, top priority. Together, as a company, we will support superior customer service with the best, most innovative and cost-effective applications of next-generation Internet technologies."

Before he founded Cbeyond, Mr. Geiger was senior vice president and chief marketing officer of Intermedia Communications, where he was responsible for strategic planning, business development, regulatory affairs, and product management. From 1995 to 1999, he had the additional responsibility of building and leading Intermedia's highly productive 500-person sales organization. Mr. Geiger was also in charge of Intermedia's complex Digex Web-hosting organization from its acquisition until just prior to its carve-out IPO in February 1999. Before he joined Intermedia, Mr. Geiger was a founding principal of FiberNet; before becoming president and CEO in 1993, he was FiberNet's vice president of sales and marketing. In the late 1980s Mr. Geiger held various sales and marketing management positions at Frontier Communications, Inc.. He began his career at Price Waterhouse and received his bachelor's degree in public accounting and pre-law from Clarkson University.

Richard I. Goldstein

Managing Director
Associated Group, LLC

Richard I. Goldstein is a Managing Director of Associated Group, LLC, a venture capital firm primarily engaged in the telecommunications and Internet commerce market segments. Principals of The Associated Group, Inc. founded associated Group, a multi-billion dollar publicly traded owner and operator of communications-related businesses and assets, of which Mr. Goldstein was a Vice President. While at Associated, Mr. Goldstein assisted in establishing Teligent, Inc., of which he is a former director, and was responsible for operating Associated's cellular telephone operations. Mr. Goldstein has counseled many early stages companies and is a member of the Board of Directors of PetPlace.com, Inc. Mr. Goldstein and his wife, Vicki, have three children and reside in Wynnewood, Pennsylvania.

James N. Perry, Jr.
Managing Director
Madison Dearborn Partners

Prior to co-founding MDP, Mr. Perry was with First Chicago Venture Capital for eight years. Previously, he was with The First National Bank of Chicago. Mr. Perry concentrates on investments in the communications industry and currently serves on the Boards of Directors of Allegiance Telecom, Inc., @link Networks, Inc., CompleTel Europe LLC, Clearnet Communications Inc., Enews.com, Focal Communications Corporation, Madison River Telephone Company, LLC, Omnipoint Corporation, Reiman Holding Company, LLC, and Wireless One Network, L.P. Perry received his B.A. from University of Pennsylvania and his M.B.A. from the University of Chicago.

Douglas C. Grissom
Director
Madison Dearborn Partners

Prior to joining MDP, Mr. Grissom was with Bain Capital, Inc. in private equity, McKinsey & Company, Inc. in management consulting, and Goldman, Sachs & Co. in investment banking. Mr. Grissom concentrates on investments in the communication industry. Grissom currently sits on the Board of Directors of Cbeyond Communications, LLC, Looking Glass Networks, LLC, Neoworld, Inc., and Stor@bility, Inc." Grissom received his A. B. from Amherst College and his M.B.A., Harvard Graduate School of Business Administration

Anthony M. Abate
General Partner
Ironsides Ventures

Anthony M. Abate is a Managing Director of Ironside Ventures. He brings over 17 years of experience in the technology and investment fields. As a General Partner at Battery Ventures, Mr. Abate led several investments. Prior to Battery, he was a Vice President at Whitney & Co., one of the oldest venture firms in the country. His most notable investments at both Whitney and Battery include Telecorp PCS (acquired by AT&T); Homestore; USinternetworking; NBX (acquired by 3Com); Digital Television Services (acquired by Pegasus Communications); Cbeyond Communications; and Looking Glass Networks. He also spent time at McKinsey & Company, and was an Officer in the US Air Force. Mr. Abate holds a BSE from Duke University and an MBA from Harvard Business School.

Michael Yagemann
Managing Director
Vantage Point Venture Partners

Michael has been a prominent attorney, advisor and investor in technology, media and communications for more than 20 years. In the course of his career, he has advised companies such as Vulcan Ventures, Time Warner and The Walt Disney Company. He joins VantagePoint from Greenbridge Capital, a communications and technology private equity firm he founded in

1999, where he also served as Managing Member.

Prior to founding Greenbridge, Michael served as Co-Founder and Co-Head of the Media and Telecommunications group at Montgomery Securities (which was acquired by NationsBank and subsequently became Banc of America Securities). While at BofA, he led the firm's equity, debt and M&A activity in telecommunications, media and entertainment.

Previously, Michael was Co-Head of Bear Stearns' Media and Entertainment group, where he worked closely with Vulcan Ventures and their investments in Charter Communications, AOL, DreamWorks, and Ticketmaster, among others. Michael began his career at the law firm of Irell & Manella in Los Angeles, where he practiced law for nearly ten years in the areas of corporate, corporate securities, tax, entertainment and intellectual property law.

Michael holds a BA in Psychology from the University of Colorado and a JD from Stanford Law School.

D. Scott Luttrell

Founder and CEO

Luttrell Capital Management

D. Scott Luttrell is the founder and CEO of Luttrell Capital Management, a Tampa based investment company specializing in funds management and financial consulting services, alternative asset, private equity and real estate investing. Luttrell is also founder and CEO of M.L.D. Company, a real estate investment company.

Mr. Luttrell served from 1991 through 2000 as principal and senior officer of Caxton Associates, LLC, a New York based diversified investment firm. Luttrell's responsibilities with Caxton included Senior Trading Manager, Director of Global Fixed Income and a senior member of the firm's portfolio risk management committee.

Luttrell has diverse investment experience in private equity, fixed income and the alternative investment asset class. Particular private equity investment focus includes information technologies, telecommunications services, Internet services, oil and gas, financial services, product manufacturing and real estate. Luttrell serves on the Board of Directors of several private companies.

Mr. Luttrell was a member at the Chicago Board of Trade from 1978 through 2002, where prior to formation of Luttrell Capital Management in 1988, he was involved in various trading and investment activities as an officer and partner of Chicago based TransMarket Group and related entities.

Mr. Luttrell received his college degree in Business Administration/Finance from Southern Methodist University in Dallas Texas.

Mr. Luttrell is active in various community service organizations, including serving as the Chairman of the Board of the Tampa Metropolitan YMCA, Chairman of the Board of Young

Life of Tampa and a Board of Director of Honduras Outreach International. Luttrell is founder and trustee of The Light Foundation, a Tampa based charitable foundation.

ATTACHMENT

"F"

Phoenix Model

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Customers																		
Beginning										0	25	65	114	173	241	319	406	502
Gross Adds										25	40	50	80	70	80	90	100	110
Churn										0	(0)	(1)	(1)	(2)	(2)	(3)	(4)	(5)
Net Adds										25	40	49	59	68	78	87	96	105
Ending										25	65	114	173	241	319	406	502	607
Average										13	45	89	144	207	280	362	454	554
Revenues																		
Revenues										\$9,375	\$33,656	\$67,070	\$107,649	\$155,323	\$210,019	\$271,669	\$340,202	\$415,550
ARPU										\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750
Operating Expenses																		
Cost of Goods Sold										\$60,000	\$75,000	\$90,000	\$105,000	\$122,068	\$141,465	\$163,167	\$187,153	\$213,399
% of Revenues										640.0%	222.8%	134.2%	97.5%	78.6%	67.4%	60.1%	55.0%	51.4%
Gross Profit																		
% of Revenues										(\$50,625)	(\$41,344)	(\$22,930)	\$2,649	\$33,255	\$68,555	\$108,502	\$153,049	\$202,151
										(540.0%)	(122.8%)	(34.2%)	2.5%	21.4%	32.6%	39.9%	45.0%	48.6%
Selling, General & Administrative																		
% of Revenues										\$300,000	\$350,000	\$400,000	\$425,000	\$450,000	\$475,000	\$500,000	\$525,000	\$550,000
										3,200.0%	1,039.9%	596.4%	394.8%	289.7%	226.2%	184.0%	154.3%	132.4%
Adjusted EBITDA																		
% of Revenues										(\$350,625)	(\$391,344)	(\$422,930)	(\$422,351)	(\$416,745)	(\$406,445)	(\$391,498)	(\$371,951)	(\$347,849)
										(3,740.0%)	(1,162.8%)	(530.6%)	(392.3%)	(268.3%)	(193.5%)	(144.1%)	(109.3%)	(83.7%)
Depreciation										\$43,194	\$48,972	\$53,694	\$57,778	\$62,472	\$67,778	\$73,694	\$80,222	\$87,361
% of Revenues										460.7%	145.5%	80.1%	53.7%	40.2%	32.3%	27.1%	23.6%	21.0%
Operating Income																		
% of Revenues										(\$393,819)	(\$440,316)	(\$476,625)	(\$480,129)	(\$479,217)	(\$474,223)	(\$465,193)	(\$452,173)	(\$435,210)
										(4,200.7%)	(1,308.3%)	(710.6%)	(446.0%)	(308.5%)	(225.8%)	(171.2%)	(132.9%)	(104.7%)
Capital Expenditures																		
Network										\$600,000	\$200,000	\$100,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Customer										\$55,000	\$88,000	\$110,000	\$132,000	\$154,000	\$176,000	\$198,000	\$220,000	\$242,000
Total										\$655,000	\$288,000	\$210,000	\$157,000	\$179,000	\$201,000	\$223,000	\$245,000	\$267,000

Month	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
607	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750
120	720	843	975	1,115	1,254	1,391	1,528	1,662	1,796	1,928	2,058	2,188	2,316	2,443	2,568	2,693	2,816	2,938
(6)	130	140	(8)	(10)	(11)	(13)	(15)	(17)	(18)	(19)	(21)	(23)	(24)	(26)	(27)	(28)		
114	123	132	140	139	137	136	135	133	132	131	129	128	127	126	124	123	122	121
720	843	975	1,115	1,254	1,391	1,528	1,662	1,796	1,928	2,058	2,188	2,316	2,443	2,568	2,693	2,816	2,938	3,060
664	782	909	1,045	1,185	1,323	1,459	1,595	1,729	1,862	1,993	2,123	2,252	2,379	2,506	2,630	2,754	2,877	3,000
\$497,645	\$586,418	\$681,804	\$783,736	\$888,399	\$992,015	\$1,094,595	\$1,196,149	\$1,296,687	\$1,396,220	\$1,494,758	\$1,592,311	\$1,688,887	\$1,784,499	\$1,879,154	\$1,972,862	\$2,065,633	\$2,157,477	\$2,248,266
\$241,883	\$272,582	\$305,474	\$340,536	\$375,249	\$409,614	\$443,635	\$477,317	\$510,661	\$543,672	\$576,353	\$608,707	\$640,737	\$672,448	\$703,841	\$734,920	\$765,688	\$796,149	\$826,600
48.6%	46.5%	44.8%	43.5%	42.2%	41.3%	40.5%	39.9%	39.4%	38.9%	38.6%	38.2%	37.9%	37.7%	37.5%	37.3%	37.1%	36.9%	36.7%
\$255,762	\$313,837	\$376,331	\$443,200	\$513,150	\$582,401	\$650,959	\$718,832	\$786,026	\$852,548	\$918,405	\$983,604	\$1,048,150	\$1,112,051	\$1,175,313	\$1,237,942	\$1,299,945	\$1,361,328	\$1,422,266
51.4%	53.5%	55.2%	56.5%	57.8%	58.7%	59.5%	60.1%	60.6%	61.1%	61.4%	61.8%	62.1%	62.3%	62.5%	62.7%	62.9%	63.1%	63.3%
\$575,000	\$600,000	\$625,000	\$650,000	\$675,000	\$700,000	\$725,000	\$750,000	\$775,000	\$800,000	\$825,000	\$850,000	\$875,000	\$900,000	\$925,000	\$950,000	\$975,000	\$1,000,000	\$1,025,000
115.5%	102.3%	91.7%	82.9%	76.0%	70.6%	65.1%	60.6%	56.9%	53.7%	51.0%	48.7%	46.6%	44.8%	43.2%	41.8%	40.5%	39.4%	38.3%
(\$319,238)	(\$286,163)	(\$248,669)	(\$206,800)	(\$161,850)	(\$117,599)	(\$61,541)	(\$6,168)	\$48,526	\$102,548	\$155,905	\$208,604	\$260,650	\$312,051	\$362,813	\$412,942	\$462,445	\$511,328	\$560,211
(64.1%)	(48.8%)	(36.5%)	(26.4%)	(18.2%)	(11.9%)	(5.6%)	(0.5%)	3.7%	7.3%	10.4%	13.1%	15.4%	17.5%	19.3%	20.9%	22.4%	23.7%	25.0%
\$95,111	\$103,472	\$112,444	\$122,028	\$131,611	\$141,194	\$150,778	\$160,361	\$169,944	\$179,528	\$189,111	\$198,694	\$208,278	\$217,861	\$227,444	\$237,028	\$246,611	\$256,194	\$265,777
19.1%	17.6%	16.5%	15.6%	14.8%	14.2%	13.8%	13.4%	13.1%	12.9%	12.7%	12.5%	12.3%	12.2%	12.1%	12.0%	11.9%	11.8%	11.7%
(\$414,349)	(\$389,636)	(\$361,114)	(\$328,828)	(\$293,461)	(\$258,793)	(\$212,318)	(\$166,529)	(\$121,418)	(\$76,979)	(\$33,206)	\$9,909	\$52,372	\$94,190	\$135,368	\$175,914	\$215,834	\$255,134	\$294,834
(83.3%)	(66.4%)	(53.0%)	(42.0%)	(33.0%)	(26.1%)	(19.4%)	(13.9%)	(9.4%)	(5.5%)	(2.2%)	0.6%	3.1%	5.3%	7.2%	8.9%	10.4%	11.8%	13.2%
\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
\$264,000	\$286,000	\$308,000	\$330,000	\$352,000	\$374,000	\$396,000	\$418,000	\$440,000	\$462,000	\$484,000	\$506,000	\$528,000	\$550,000	\$572,000	\$594,000	\$616,000	\$638,000	\$660,000
\$289,000	\$311,000	\$333,000	\$355,000	\$377,000	\$399,000	\$421,000	\$443,000	\$465,000	\$487,000	\$509,000	\$531,000	\$553,000	\$575,000	\$597,000	\$619,000	\$641,000	\$663,000	\$685,000